



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt Resolutions approving the 2006-07 Financial Plan and Budget and the 2006-07 Appropriations Spending Limit, OR adopt Resolution authorizing the continuation of expenditures from July 7, 2006 through July 22, 2006, if necessary

**MEETING DATE:** July 5, 2006

**PREPARED BY:** Deputy City Manager

**RECOMMENDED ACTION:** City Council adopt Resolutions approving the 2006-07 Operating Budget in the amount of \$199,998,489 and the Appropriations Spending Limit for 2006-07 of \$68,905.066. If 2006-07 Budget is not approved, adopt Resolution authorizing the continuation of expenditures from July 7, 2006 through July 22, 2006.


**BACKGROUND INFORMATION:** The Budget document for 2006-07 as presented at the May 31, 2006, Special Council meeting and as available in the City Clerk's office and on the City of Lodi web site, is to be considered for approval on July 5, 2006, at the regular City Council meeting. The Budget as presented to the City Council has been summarized in the two Resolutions to be considered for approval by City Council. The Resolutions reflect comments and direction that City staff received at the Council meetings of May 31, 2006 and June 7, 2006.

In addition, a late arriving budget request has been received from the Library Board of Trustees recommending the expenditure of \$150,000 from the Library Fund Balance for a variety of library refurbishments. If budgeted, this request will reduce the projected year-end fund balance from \$630,000 to \$480,000. (See page 14 of the draft FY 2006-07 budget.) The total library refurbishment project is budgeted at \$650,000 with revenues from a variety of public and private sources. Attached is a memorandum from the Library Director elaborating on the project and funding request. (NOTE: Due to time constraints, the above request has not been incorporated into any portion of the published draft budget.)

The City Manager recommends approval of the 2006-07 Budget. Upon adoption of the Budget, the final Budget document that reflects the Budget as approved by the Council will be prepared for distribution.

**FISCAL IMPACT:** Not applicable

**FUNDING AVAILABLE:** Not Applicable

  
James R. Krueger, Deputy City Manager

APPROVED:   
Blair King, City Manager



## CITY OF LODI COUNCIL COMMUNICATION

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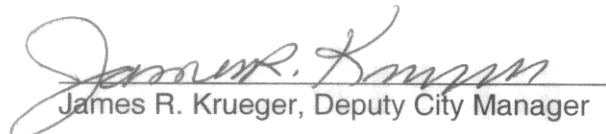
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**RECOMMENDED ACTION:** City Council adopt Resolutions approving the 2006-07 Operating Budget in the amount of **\$200,106,989 (\$199,998,489 + \$108,500)** and the Appropriations Spending Limit for 2006-07 of \$68,905.066. If 2006-07 Budget is not approved, adopt Resolution authorizing the continuation of expenditures from July 7, 2006 through July 22, 2006.

**BACKGROUND INFORMATION:** The Budget document for 2006-07 as presented at the May 31, 2006 Special Council meeting and as available in the City Clerk's office and on the City of Lodi web site, is to be considered for approval on July 5, 2006 at the regular City Council meeting. The Budget as presented to the City Council has been summarized in the two Resolutions to be considered for approval by City Council. The Resolutions reflect comments and direction that City staff received at the Council meetings of May 31, 2006 and June 7, 2006. Staff recommends that City Council approve the 2006-07 Budget as presented in the Resolutions and direct staff to prepare a final Budget document that reflects the Budget as approved by the City Council.

**FISCAL IMPACT:** Not applicable

**FUNDING AVAILABLE:** Not Applicable

  
James R. Krueger, Deputy City Manager

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**APPROVED:**   
Blair King, City Manager

## Lodi Public Library

### Memorandum

**To:** City Council  
**From:** Library Board of Trustees  
**CC:** Blair King, City Manager  
**Date:** June 30, 2006  
**Re:** Authorization to expend \$150,000 from the Library Fund balance to pay for a portion of the Library Refurbishment project

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The Lodi Public Library was built in 1978 with a federal public works grant. The facility features 1970's décor and technology. The carpeting, wall treatments and floor tiling are worn from usage and need replacing for safety as well as aesthetic reasons. In the past ten years designated areas of the facility have been upgraded largely through outside funding sources.

In 2000 a renovation project converted a storage room in the children's area into a public Computer Learning Center. This \$60,000 project was funded by Lodi Public Library Foundation.

In 2001 two rooms in the library administration area were remodeled (including painting, carpeted and lighting improvements and some office systems furniture to accommodate the new literacy office and director's office. This project was financed with California Library Literacy Services grant funds.

In 2002 a modest \$4,000 project enhanced the staff room for library personnel.

In 2002 the community room/lobby area of the library was refurbished with new carpeting, painting, window treatments, acoustical paneling, ADA door hardware and plumbing. This \$100,000+ project was funded through the Board's Private Sector Trust Fund, library's fund balance, a small CDBG grant, and \$2,700 in Public Benefits funds for lighting.

In late 2004 realizing that the expansion of the library designated in the Library Facilities Master Plan of 2002 would be delayed significantly, library administration began gathering information for a project to refresh the library's worn and tired public look. The Library Board of Trustees allocated Private Sector Trust Fund moneys to work with the architectural firm WMB to create a plan for the refurbishment of the library facility

The current 2006 refurbishing project is designed to replace the current worn and cracked flooring coverings, refresh the library décor with lighter surfaces, upgrade and relocate the library service desks, provide inviting reading areas for children, parents, and teens, provide more accessible public Internet computers, provide more tutoring/study rooms (as requested in the Facilities Master Plan survey) and upgrade the children's and staff restrooms for ADA compliance. The project is designed to create a more inviting atmosphere with merchandising display areas for library books and media, a café seating area and a relaxing "living room." The project includes two subset projects—an upgrade to the lighting and upgrade of the entrance ramp for ADA compliance.

The initial estimates for the project are \$650,000. The Lodi Public Library Foundation Board of Directors committed \$200,000 towards the project at their April 13, 2006 meeting. The Library Board of Trustees has authorized the expenditure of \$250,000 from the Private Sector Trust Funds. The lighting upgrade portion of the project is slated for funding by the EUD Public Benefits Program. The modification of the library facility's entrance ramp has received a Community Development Block Grant.

Library administration and the Library Board of Trustee are requesting authorization to expend \$150,000 of the Library Fund Balance for the Facilities Upgrade.

The Library Fund balance is conservatively projected to be \$630,000 at the end of FY 2005/06—the proposed expenditure is a 24% reduction. After expending \$150,000 on the refurbishing project, the remaining library fund balance will represent approximately 28% of the library operating budget. Library Board of Trustees Private Sector Trust Fund balance as of May 31, 2006 is \$759,000—the proposed expenditure is a 33% reduction of this account. The undesignated balance of the Lodi Public Library Foundation investments is \$520,000—the proposed expenditure is a 39% reduction of these assets.

**FUNDING:** \$200,000 Lodi Public Library Foundation  
\$250,000 Lodi Public Library Board of Trustees Private Sector Trust Fund  
\$150,000 Lodi Public Library Fund Balance  
\$ 10,000 Friends of Lodi Public Library  
\$ 40,000 EUD Public Benefits Fund  
\$ 31,000 Community Development Block Grant

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Nancy C. Martinez  
Library Services Director

NM/slb

# **ECONOMIC DEVELOPMENT ASSISTANCE**

## **Assumptions -**

- **Value of the product and mission equal**
- **Parity between organization**
- **Base level of support**

- 1) Standard for base level of support  
\$141,200 equals 1 mid-management  
(pay and benefits)**
- 2) Spread base level of support equally**
  - Arts**
  - DLBP**
  - LCVB**
  - S.J. Partnership****(Exclude Chamber – endorsements)**  
**(Exclude fireworks – community event)**
- 3) \$35,300 Base support**

# **LCVB**

**\$123,500 FY 05-06**

**Base \$35,300 plus 05-06 bridge = \$88,200 – 1/3  
(19,400) = \$94,100**

**or**

**Base \$35,300 plus 05-06 bridge = \$88,200 – 1/6  
(\$14,700) = \$108,800**

RESOLUTION NO. 2006-132

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
FUNDING IN THE AMOUNT OF \$108,500.00 TO THE LODI  
CONFERENCE AND VISITORS BUREAU FOR FISCAL YEAR 2006-07

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WHEREAS, the City Manager submitted the 2006-07 balanced Operating and Capital Improvement Budget to the City Council on May 31, 2006; and

WHEREAS, the Lodi City Council approved the 2006-07 Operating and Capital Improvement Budget at its meeting of July 5, 2006 (Resolution 2006-133) with the exclusion of the Lodi Conference and Visitors Bureau element.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi that it hereby approves funding in the amount of \$108,500.00 to the Lodi Conference and Visitors Bureau for fiscal year 2006-07.

Dated: July 5, 2006

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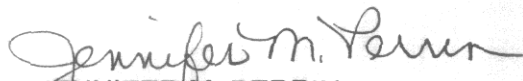
I hereby certify that Resolution No. 2006-132 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Mounce,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Beckman

  
JENNIFER M. PERRIN  
Interim City Clerk

RESOLUTION NO. 2006-133

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING THE 2006-07  
OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL  
YEAR BEGINNING JULY 1, 2006 AND ENDING JUNE 30, 2007, AND  
FURTHER APPROVING THE 2006-07 APPROPRIATIONS SPENDING LIMIT

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WHEREAS, the City Manager submitted the 2006-07 balanced Operating and Capital Improvement Budget to the City Council on May 31, 2006; and

WHEREAS, the 2006-07 Operating and Capital Improvement Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, the City Council conducted public budget meetings on May 31, June 6, June 7, and June 20 at the Carnegie Forum; and

WHEREAS, the City Council is required to adopt the Appropriations Spending Limit for 2006-07; and

WHEREAS, the Appropriations Spending Limit and the annual adjustment factors selected to calculate the Limit are part of the Financial Plan and Budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

1. That the 2006-07 Operating and Capital Improvement Budget, as proposed by the City Manager and amended by the City Council (with the exclusion of the Lodi Conference and Visitors Bureau element, voted on separately and reflected in Resolution 2006-132), be approved as follows:

	Budget
<b>General Fund</b>	
Police	14,240,003
Fire	8,701,513
Public Works	3,995,581
Parks and Recreation	3,963,715
Community Center	1,433,542
City Clerk	607,565
City Manager	4,391,435
City Attorney	465,572
Non-Departmental	6,116,105
<b>Total General Fund</b>	<b>43,915,031</b>
Electric Utility Fund	70,553,889
Water Utility Fund	13,034,844
Wastewater Utility Fund	40,657,024
Library Fund	1,711,336
Community Development Fund	2,127,951
Streets Fund	8,295,118
Transit Fund	4,721,928
Benefits Fund	6,034,652
Self Insurance Fund	2,933,518
Capital Outlay Fund	1,557,836
Debt Service Fund	1,771,653
Equip and Vehicle Replacement Fund	360,000
Fleet Services Fund	1,779,929
Transportation Development Act	288,780
Agency	255,000
<b>Total All Funds</b>	<b>199,998,489</b>

2. That the funds for the 2006-07 Operating Budget are appropriated as summarized in the document on file in the City Clerk's Office; and
3. That the Appropriations Spending Limit be increased by \$2,822,948.00 from the 2005-06 level of \$66,082,118.00 to the 2006-07 level of \$68,905,066.00.

Dated: July 5, 2006

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I hereby certify that Resolution No. 2006-133 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock  
NOES: COUNCIL MEMBERS – Johnson and Mounce  
ABSENT: COUNCIL MEMBERS – None  
ABSTAIN: COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
Interim City Clerk

**2006-07 FINANCIAL PLAN AND BUDGET**

**APPROPRIATIONS SPENDING LIMIT**

**2006-07 APPROPRIATIONS SPENDING LIMIT**

				AMOUNT
Last Year's Limit				66,082,118
Adjustment Factors				
1	Population %	1.0030		
2	Inflation %	1.0396		
Total Adjustment %				1.0427
Annual Adjustment				2,822,949
Adjustments				None
Total Adjustments				2,822,949
2006-07 APPROPRIATIONS SPENDING LIMIT				68,905,066

**2006-07 APPROPRIATIONS SUBJECT TO LIMITATION**

		AMOUNT
PROCEEDS OF TAXES		34,165,830
EXCLUSIONS		-
APPROPRIATIONS SUBJECT TO LIMITATION		34,165,830
CURRENT YEAR LIMIT		68,905,066
OVER(UNDER) LIMIT		(34,739,236)

## EXHIBIT A

City of Lodi  
Appropriations Spending Limit  
Fiscal Year 06-07

			Amount	Source
A.	Last Year's Limit		66,082,118	
B.	Adjustments Factors			
	1	Population %	1.003	(Exhibit B)
	2	Inflation %	1.0396	(State Finance)
	Total Adjustment %		1.0427	(B1*B2)
C.	Annual Adjustment		2,822,949	(B*A)
D.	Other Adjustments		None	
E.	Total Adjustments		2,822,949	(C+D)
F.	This Year's Limit		68,905,066	(A+E)

City of Lodi  
Appropriations Spending Limit  
Growth Factors/Calculations

EXHIBIT B

GROWTH FACTORS:			
Fiscal Year	Per Capita Income	%Increase City Population	%Increase County Population
87-88	3.47	5.72	3.33
88-89	4.66	4.96	3.32
89-90	5.19	2.52	2.20
90-91	4.21	2.26	2.23
91-92	4.14	1.19	2.64
92-93	-0.64	0.97	2.41
93-94	2.72	0.73	2.13
94-95	0.71	0.51	1.57
95-96	4.72	1.31	1.59
96-97	4.67	1.68	1.85
97-98	4.67	0.70	1.21
98-99	4.15	1.16	1.47
99-00	4.53	1.94	1.44
00-01	4.91	1.29	1.78
01-02	7.82	1.90	2.71
02-03	-1.27	2.14	3.07
03-04	2.31	1.69	2.86
04-05	3.28	0.75	2.54
05-06	5.26	0.96	2.65
06-07	3.96	0.30	2.00

CALCULATIONS:			
Fiscal Year	Calculation		Appropriation Spending Limit
87-88	$1.0347 \times 1.0572 = 1.0939$ $1.0939 \times \$22,654,787$	=	\$24,782,072
88-89	$1.0466 \times 1.0496 = 1.0985$ $1.0985 \times \$24,782,072$	=	\$27,223,106
89-90	$1.0519 \times 1.0252 = 1.0784$ $1.0784 \times \$27,223,106$	=	\$29,357,398
90-91	$1.0421 \times 1.0226 = 1.0657$ $1.0657 \times \$29,357,398$	=	\$31,286,179
91-92	$1.0414 \times 1.0264 = 1.0689$ $1.0689 \times \$31,286,179$	=	\$33,441,797
92-93	$.9936 \times 1.0241 = 1.0175$		

	1.0175 x 33,441,797	=	\$34,027,028
93-94	1.0272 x 1.0213 = 1.0491 1.0491 x 34,027,028	=	\$35,697,755
94-95	1.0071 x 1.0137 = 1.0229 1.0229 x 35,697,755	=	\$36,515,234
95-96	1.0472 x 1.0131 = 1.0609 1.0609 x 36,515,234	=	\$38,739,012
96-97	1.0467 x 1.0168 = 1.0643 1.0643 x 38,739,012	=	\$41,229,332
97-98	1.0467 x 1.0070 = 1.0540 1.0540 x 41,229,332	=	\$43,456,825
98-99	1.0415 x 1.0116 = 1.0536 1.0536 x 43,456,825		\$45,785,303
99-00	1.0455 x 1.0194 = 1.0656 1.0656 x 45,785,303		\$48,787,849
00-01	1.0491 x 1.0129 = 1.0626 1.0626 x 48,787,849		\$51,843,597
01-02	1.0782 x 1.0190 = 1.0987 1.0986858		\$56,959,824
02-03	.9873 x 1.0214 = 1.00843 1.00842822		\$57,439,894
03-04	1.0231 x 1.0169 = 1.0404 1.04039039		\$59,759,913
04-05	1.0328 x 1.0075 = 1.040546 1.040546		\$62,182,939
05-06	1.0526 x 1.0096 = 1.06270496 1.06270496		\$66,082,118
06-07	1.0396 x 1.0030 = 1.0427188 1.0427188		\$68,905,066

05-06 Appropriations Subject to Limit:

<u>\$34,165,830</u>	=	49.58%
\$68,905,066		

# APPROPRIATIONS SUBJECT TO LIMITATION

EXHIBIT C

City of Lodi  
Fiscal Year 06-07

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	34,165,830	(Exhibit F)
B. EXCLUSIONS	0	(Exhibit D)
C. APPROPRIATIONS SUBJECT TO LIMITATION	34,165,830	(A-B)
D. CURRENT YEAR LIMIT	68,905,066	(Exhibit A)
E. OVER(UNDER) LIMIT	(34,739,236)	(C-D)

$$\frac{34,165,830}{68,905,066} = 49.58\%$$

**EXHIBIT D**

**EXCLUDED APPROPRIATIONS**

City of Lodi  
Fiscal Year 06-07

CATEGORY	Amount
<b>COURT ORDERS</b>   <div>Subtotal</div>	<div></div> <div></div> <div></div> <div>None</div>
<b>FEDERAL MANDATES</b>   <div>Subtotal</div>	<div></div> <div></div> <div></div> <div>None</div>
<b>QUALIFIED CAPITAL OUTLAYS</b>   <div>Subtotal</div>	<div></div> <div></div> <div></div> <div>None</div>
<b>QUALIFIED DEBT SERVICE</b>   <div>Subtotal</div>	<div></div> <div></div> <div></div> <div>None</div>
<b>TOTAL EXCLUDABLE</b>	<div>None</div>

(Copy to Exhibit C & G)

City of Lodi  
Schedule to Match User Fees to Costs  
Fiscal Year 06-07

EXHIBIT E

	User Fee Collections	Cost Associated With User Fees	Amount in Excess of User fees
Public Safety Fees	264,895	22,831,516	0
Parks and Recreation Fees	882,059	3,963,714	0
Community Center Fees	339,000	1,433,542	0
Community Development Fees	625,301	2,127,951	0
PW Engineering Fees	264,000	1,668,064	0
Administrative Fees	-	19,616,012	0
Library Fees	50,000	1,711,336	0
Total	<u>2,425,255</u>	<u>53,352,135</u>	<u>0</u>

REVENUE	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
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## TAXES:

Property Taxes	8,382,708	
Sales & Use Tax	10,380,701	350,494
Business License Tax	1,104,872	
Franchise Tax	1,075,616	
Transient Occupancy Tax	392,122	
Real Property - Documentary Tax	240,000	
In-Lieu Franchise Tax	8,679,485	

## FROM STATE

Motor Vehicle In Lieu	3,891,405		
State Highway Maintenance	4,053		
Gas Tax	1,136,000		
Cigarette tax	2,151,878		
Transportation Development Act	48,000		
TDA - Pedestrian/Bike Path	0		
SB 300 Transportation Partnership	6,600,000		
Measure K Funds	36,765		
State Reimbursements-POST	63,000		
Public Library grants	0		
PERS Rebate	40,000		
SB90 Reimbursements	125,617		
Asset Seizure Funds/Auto Theft	293,600		
Drug Suppression Grant	0		
State special grants	125,617		
State STIP reimbursement	293,600		
	3,891,405		

LOCALLY RAISED

[illegible]

## OTHER MISCELLANEOUS

OTHER MISCELLANEOUS	26,437	5,279,931	5,279,931
Sale of Property	26,437		
Restitution-Damages to Property	25,000	413,086	413,086
Other revenue			
Interfund Transfers			

## Interfund Transfers

	Inland Transfers
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(for Exhibit G)

(for Exhibit G)

(from Exhibit G)

(from Exhibit G)

## TOTAL REVENUE

34,105,850	25,202,572	59,308,422
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TOTAL REVENUE

## RESERVE WITHDRAWALS

		RESERVE WITHDRAWALS	

## TOTAL OF THESE FUNDS

		TOTAL OF THESE FUNDS	

## OTHER FUNDS NOT INCLUDED

		OTHER FUNDS NOT INCLUDED	
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## GRAND TOTAL BUDGET

		GRAND TOTAL BUDGET	
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Interest Earnings  
Produced by Taxes

EXHIBIT G

City of Lodi  
Fiscal Year 06-07

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	34,146,909	^(Exhibit F)
B. MINUS EXCLUSIONS	0	(Exhibit D)
C. NET INVESTED TAXES	34,146,909	(A-B)
D. TOTAL NON-INTEREST BUDGET	59,415,981	^(Exhibit F)
E. TAX PROCEEDS AS PERCENT OF BUDGET	57.47%	(C/D)
F. INTEREST EARNINGS	32,922	
G. AMOUNT OF INTEREST EARNED FROM TAXES	18,921	(E*F)
H. AMOUNT OF INTEREST EARNED ON NON-TAXES	14,001	(F-G)
I. Take the result of steps #G & H Copy on to Exhibit F		